VZCZCXRO0366 PP RUEHIK DE RUEHPS #0428/01 2751550 ZNR UUUUU ZZH P 021550Z OCT 09 FM AMEMBASSY PRISTINA TO RUEHC/SECSTATE WASHDC PRIORITY 9322 INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE RUEHNO/USMISSION USNATO 1215 RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK RUCNDT/USMISSION USUN NEW YORK 1739 RHFMIUU/AFSOUTH NAPLES IT RHMFISS/CDR TF FALCON RHEFDIA/DIA WASHDC RUEKJCS/SECDEF WASHINGTON DC RUEPGEA/CDR650THMIGP SHAPE BE RHEHNSC/NSC WASHDC RUEAWJA/DEPT OF JUSTICE WASHDC RHMFIUU/DEPT OF HOMELAND SECURITY WASHDC RUEHC/DEPT OF LABOR WASHDC RUEATRS/DEPT OF TREASURY WASHDC RUZEJAA/USNIC PRISTINA SR

UNCLAS SECTION 01 OF 04 PRISTINA 000428

SIPDIS SENSITIVE

DEPT FOR EUR-DAS STUART JONES, EUR-SCE, EUR/PGI, INL, DRL, PRM, USAID

E.O. 12958: N/A TAGS: <u>PGOV</u> <u>PREL</u> <u>KV</u>

SUBJECT: KOSOVO: SCENSETTER FOR DAS JONES' VISIT

TO PRISTINA

PRISTINA 00000428 001.2 OF 004

SENSITIVE BUT UNCLASSIFIED ? PLEASE PROTECT ACCORDINGLY

REF: A) Pristina 357

B) Pristina 412

11. (SBU) Summary: On October 5, the ninth meeting of the International Steering Group (ISG), the oversight body for the International Civilian Office (ICO), will begin a conversation on the future of the organization, and indeed on its exit strategy. This discussion takes place just as Kosovo begins its Ahtisaari Plan decentralization effort in earnest and prepares for November 15 municipal elections, its first elections since independence. While cost cutting and avoiding mission creep are important for ICO, our participation in the ISG meeting should aim to recommit the organization to a results-based restructuring. Moreover, we should encourage both ICO and our European partners to support efforts to mount a successful election monitoring effort, and underscore the importance of remaining focused on the decentralization process beyond election day. End Summary.

ISG MEETING -- FIRST DISCUSSION OF FUTURE OF ICO

12. (SBU) The ninth meeting of the International Steering Group, October 5 in Pristina, is scheduled to include briefings from Minister of Local Government Administration Sadri Ferati on decentralization and from Minister of Foreign Affairs Skender Hyseni on external relations efforts/recognitions. It will also include a discussion led by International Civilian Representative (ICR) Pieter Feith on the review of the powers of the ICR. A review of the powers of the ICR is mandated by the Ahtisaari Plan and will

be the first step in a broader review of the structure and size of the organization.

DECENTRALIZATION -- ELECTION DAY IS NOT THE END

- 13. (SBU) Minister of Local Government Administration (MLGA) Ferati and two members of ICO senior staff will discuss progress made on the Ahtisaari Planmandated process to establish five new Kosovo Serb majority municipalities (Partesh, Klokot, Gracanica, Ranilug and North Mitrovica), and to expand a sixth (Novo Brdo). At this point, four MPTs have been established, with MPTs for Novo Brdo and North Mitrovica expected in the coming weeks. USAID implementers are working closely with both ICO and MLGA to stand up these new municipalities. Noteworthy progress has been made in establishing municipal statutes, budgets, and organizational charts, especially in the municipality of Klokot, where the MPT has been functioning longest. We have generally worked well with the ICO in the new municipalities, with the exception of Klokot where we have encountered some problems with ICO field staff.
- 14. (SBU) Much work will remain to be done after election day. The newly elected mayors and assemblies in Klokot, Gracanica, and Ranilug must be in a position to deliver services to their constituents if we are to maintain positive momentum on decentralization. That will mean progress in four areas: 1) governance structures; 2)

PRISTINA 00000428 002.2 OF 004

organizational structures; 3) competencies and services; and 4) facilities and equipment. Positive momentum in these areas could provide impetus for more constructive engagement in North Mitrovica and Partesh, the new Serb-majority municipalities that will hold elections next May. We will want to stress these points and urge continued dedication of the ICO to decentralization and greater political and monetary assistance from our EU partners to the process.

EXTERNAL RELATIONS -- MODERATE SUCCESS AT UNGA

15. (SBU) Minister of Foreign Affairs Skender Hyseni's presentation to the ISG is likely to focus on his recent lobbying efforts on the margins of the U.N. General Assembly. While MFA staff noted that meetings were harder to come by this year, Kosovo President Fatmir Sejdiu and Minister Hyseni still managed to hold an impressive slate of bilateral discussions, including with several current non-recognizing Arab states (e.g. Qatar, Oman). Hyseni may also address the December oral arguments before the International Court of Justice, which is preparing an advisory opinion on the legality of Kosovo's declaration of independence. It is unclear to us how active our ISG partners have been in supporting Kosovo?s case for additional recognitions. It might be useful to encourage them to be more proactive on Kosovo?s behalf.

ELECTIONS -- ORGANIZATION IN PROCESS...

16. (SBU) Following consultations with ICR Feith and the Quint, President Sejdiu announced on September 14 that municipal elections will take place in 36 municipalities. This number includes three new Ahtisaari-mandated municipalities -- Klokot, Gracanica, and Ranilug -- and the expanded

municipality of Novo Brdo. Elections in Partesh and in North Mitrovica will be held in May 2010. We are in close contact with Kosovo's Central Elections Commission (CEC), which continues technical preparations for the polls. As in past elections in Kosovo, voter apathy (in all communities) and the integrity of the voters' list are chief among the concerns. We have been active diplomatically and sought public diplomacy opportunities to underscore the importance of the elections, particularly to the Serbs, and to build public confidence in the CEC. We will want to urge our ISG partners to do the same.

17. (SBU) While the status-neutral OSCE continues to do important work to build capacity building with CEC, in spite of pressure from non-recognizers (Ref B), there has been little donor support, other than the USG assistance, for the electoral process or the election monitoring effort. ICO may contribute staff and vehicles and provide additional logistical support to the organization of monitors from bilateral donors. This would be a welcome contribution and should be encouraged. The likelihood of European Commission funding for additional monitors, once thought certain, is now unclear. If ICO effectively coordinates its efforts with bilateral missions and USAID-funded monitors from the European Network of Election Monitoring Organizations (ENEMO), we feel that a credible monitoring mission can be put in the field for these

PRISTINA 00000428 003.2 OF 004

important polls.

THE REVIEW OF ICR POWERS -- THE FUTURE OF ICO

- 18. (SBU) The bulk of the afternoon session of the October 5 ISG meeting is dedicated to a presentation of a concept paper that will open a discussion on the review of the ICR's powers. Such a review is mandated by Annex IX of the Ahtisaari Plan and should be completed by the two-year anniversary of the Plan's entry into force (the second anniversary of Kosovo's independence, February 17, 2010). According to the concept paper, this introductory discussion is designed to lead to a consensus position by the December 2009 ISG meeting, and an endorsement of an extension of the ICR's mandate/approval of ICO's budget in February 2010.
- 19. (SBU) ICO's effort to examine its mission, its organizational structure, and its costs is healthy and laudable. As the concept paper notes, such a review can help to avoid mission creep. We support the review, and its main goals, to reshape the organization (with cost savings) as Ahtisaari Plan tasks are completed. The choice to review ICO's largest units, Community Affairs and the ICO Mitrovica Office, as they contemplate restructuring, is also appropriate. The decision to avoid dates certain for the eventual closure of ICO also avoids a situation in which local actors simply "wait out" the organization, rather than implement difficult Ahtisaari Plan provisions.

PROGRESS, NOT PROCESS, IS KEY

110. (SBU) While there is much to like in ICO's concept paper, there are several elements worthy of caution. The paper suggests that the ICR's affirmative powers, including the requirement of ICR consent for certain Kosovo Government nominations, should be considered for reduction/elimination. In

place of these affirmative powers, ICO notes that the ICR can use corrective powers to invalidate an inappropriate appointment. This statement is both impractical and impolitic. In eighteen months the ICR has not yet used his corrective powers, and their use would require immense amounts of political capital that, frankly, the ICO does not have. Moreover, in taking such action, ICO risks the alienation of the organization itself and the broader international community from our Kosovo partners. Affirmative powers, such as the ICR role in appointments, should be maintained, while corrective powers should be used only as a last resort.

111. (SBU) In addition, the concept paper discusses progress in the implementation of ICO's matrix" of Ahtisaari Plan tasks, and calls for new benchmarks that will guide the reshaping of the organization. ICO's matrix is a useful, but flawed, tool. In too many cases, the matrix notes progress on the establishment of institutions, or the passage of laws, rather than the institutions' functional capacity or the implementation of the laws. The passage of a law, the writing of an organizational chart and the hiring of key top staff is not equivalent to the establishment of a functioning institution. As the conversation on reshaping ICO continues, we must encourage the ISG to eschew box-

PRISTINA 00000428 004.2 OF 004

checking as an evaluation tool in favor of real benchmarks that mark substantive progress.

COMMENT

112. (SBU) The ninth meeting of the ISG presents a real opportunity to shape the dialogue on the future of the ICO as an organization. Laudable work has been accomplished in the first eighteen months of ICO's existence, much is in process, and much remains to be done. As the discussion begins, focusing on results, rather than dates and process, can help to ensure that the ICO remains relevant.

MURPHY